



Understanding Your Customers

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NITB TIC training prospectus: the 8 modules

1. Understanding your customers: 12/13 April
2. Maximise your visitor spend: 8/9 Feb
3. Effective communication skills: 15/16 Mar
4. Communicating online: 8/9 Mar
5. Income generation: 5/6 Apr
6. Managing stakeholders and marketing your TIC:
16/17 Feb
7. Team building skills: 10/11 May
8. Managing difficult customers: 17/18 May

Course objectives

- Understand what makes people (customers) tick, and how buying decisions are made
- How to use this understanding to provide first class customer service
- How to use this understanding to maximise visitor spend within your TIC, and during their stay

Workshop programme

- **Morning:**
 - The Northern Ireland context and the important role of TICs
 - Understanding Your Customers: why it's important
 - Group Exercise: The Art of Listening and Questioning
 - Presentation: What Makes Customers Tick?
 - Presentation: How & Why Do Customers Buy?
 - Group Exercise: Getting to Know Your Customers
 - Lunch
- **Afternoon:**
 - Individual Exercise: From a Customer Perspective
 - Group Exercise: Managing Perceptions & Exceeding Expectations
 - Feedback
 - Summary and Q&A,
 - Personal Action Planning and Close

TIC Customer Groups



Pre-course exercise

**Your personal
objectives and priorities
for today**

What is tourism worth in NI today?

- £3.3 million visitors
- £529 million
- 4.9% of GDP

The goal

- Double the income from tourism to £1 billion by 2020
- Support an additional 10,000 jobs

The TIC has a key role

**To influence customers' decisions
and spending
throughout their journey!**

Group exercise

The Art of Listening and Questioning



Why mistakes occurred?

- Most likely cause: making *assumptions*
- Based on limited information provided, and your previous experiences
- Similar mistakes occur when we assume one customer is the same as another e.g. If share same age, sex, or ethnic background.
- Or if we assume one situation is the same as another, when it might be very different.

We all make assumptions!

- We all have the potential to make assumptions about what other people are telling us
- Important to listen as objectively as possible.

How to avoid making assumptions

- Two essential skills to help identify and manage assumptions:
 1. To reflect back to people what we believe they have told us.
 2. Ask open questions – where, when, who, what and how

Customers are Complex



Needs vs Wants

- There is a difference between what people may actually **need** and what they may **want** to have
- A **need** is something that you **must have** in order to live or survive
- A **want** is something that you desire or would like to have or own. Usually, it is not necessary for life.
- There are some basic things that all people need to live, regardless of where they are on Earth:

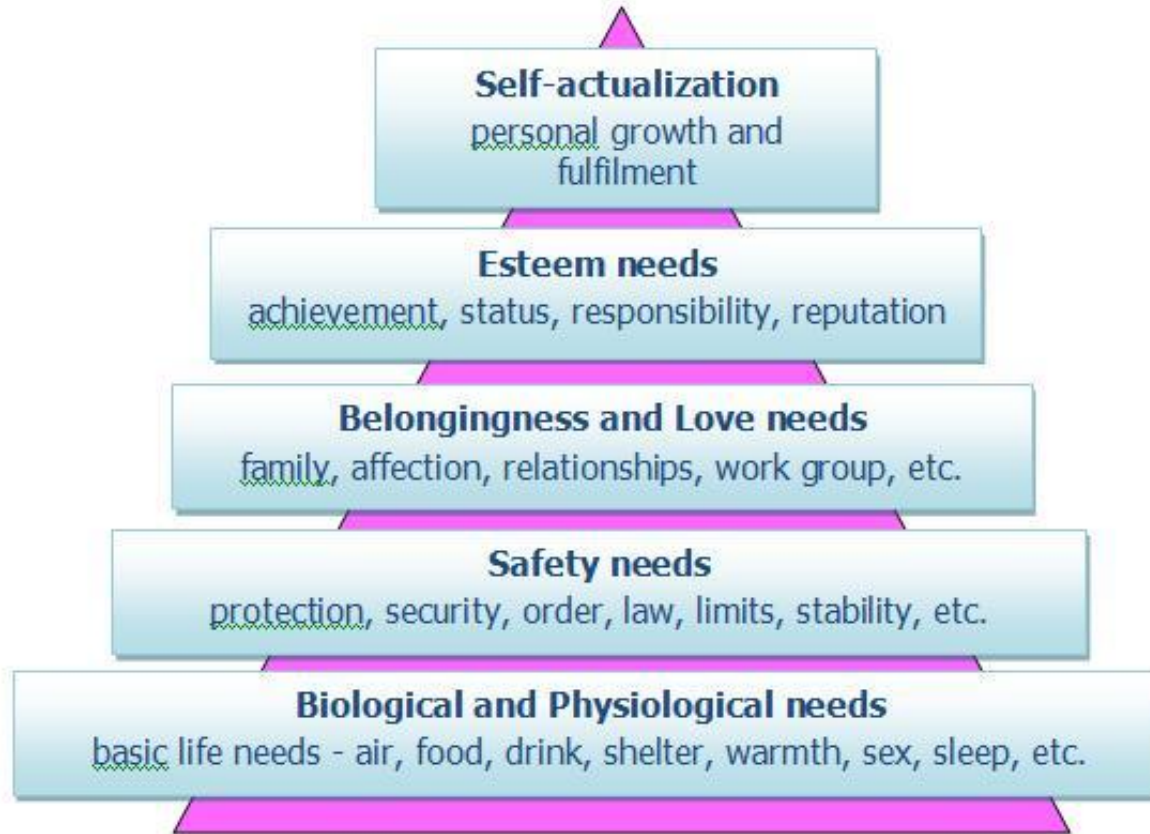
Needs vs Wants

- All people **need** to breathe air. However, they may **want** to breathe *clean* air
- All people **need** food to eat. However, they may **want** to eat *junk* food
- All people **need** water to drink. However, they may **want** to drink *clean* water
- All people **need** clothing to protect their bodies. However, they may **want** to wear *more expensive designer* clothing

Needs vs Wants

- All people **need** shelter to protect them from the weather
 - however, they may **want** large houses in which to live
- People around the world may have different **wants**
 - but they all **need** air, food, water, clothing and shelter to live

Hierarchy of Needs



Maslow's Hierarchy of Needs

Motives

- Motives activate behaviour
- Motives sit between *needs* and *action*.
- If the need is sufficiently intensive, we are motivated to act. *For example:*
- *Being thirsty (need) causes (motivates) us to buy a drink (action)*

Expectations & Perceptions

- Expectations are based on
 - past experience,
 - what we learned from it,
 - the social and cultural influences associated with it
- Our Expectations inform our Perceptions
- Perceptions refer to our conscious understanding of something
- In other words, what we believe to be so

Personality

- Personality is what makes a person unique
- It's made up of the characteristic patterns of thoughts, feelings and behaviours, including:
 - Consistency
 - Psychological and physiological
 - Impacts behaviours and actions
 - Multiple expressions (thoughts, feelings, relationships & other social interactions)
- Personality arises from within the individual and remains fairly consistent throughout life

Socio-Cultural Influences

Culture	Behaviour is learned – so the traditions, values and attitudes of society will influence behaviour
Social class	An individual's social class is an important influence in social behaviour
Reference groups	These are formal and informal groups of which we are a member, and which will influence our behaviour
Family	The family is the key group in terms of attitudes, beliefs and learned behaviour
Personal influences	Personal characteristics such as age, family life cycle, occupation, lifestyle, personality, economic circumstances

Customers are Complex



Why we buy

- Although it may not always be apparent, we always buy for a reason
- Many factors are involved in a customers' buying decision, any one of which can become the deciding factor

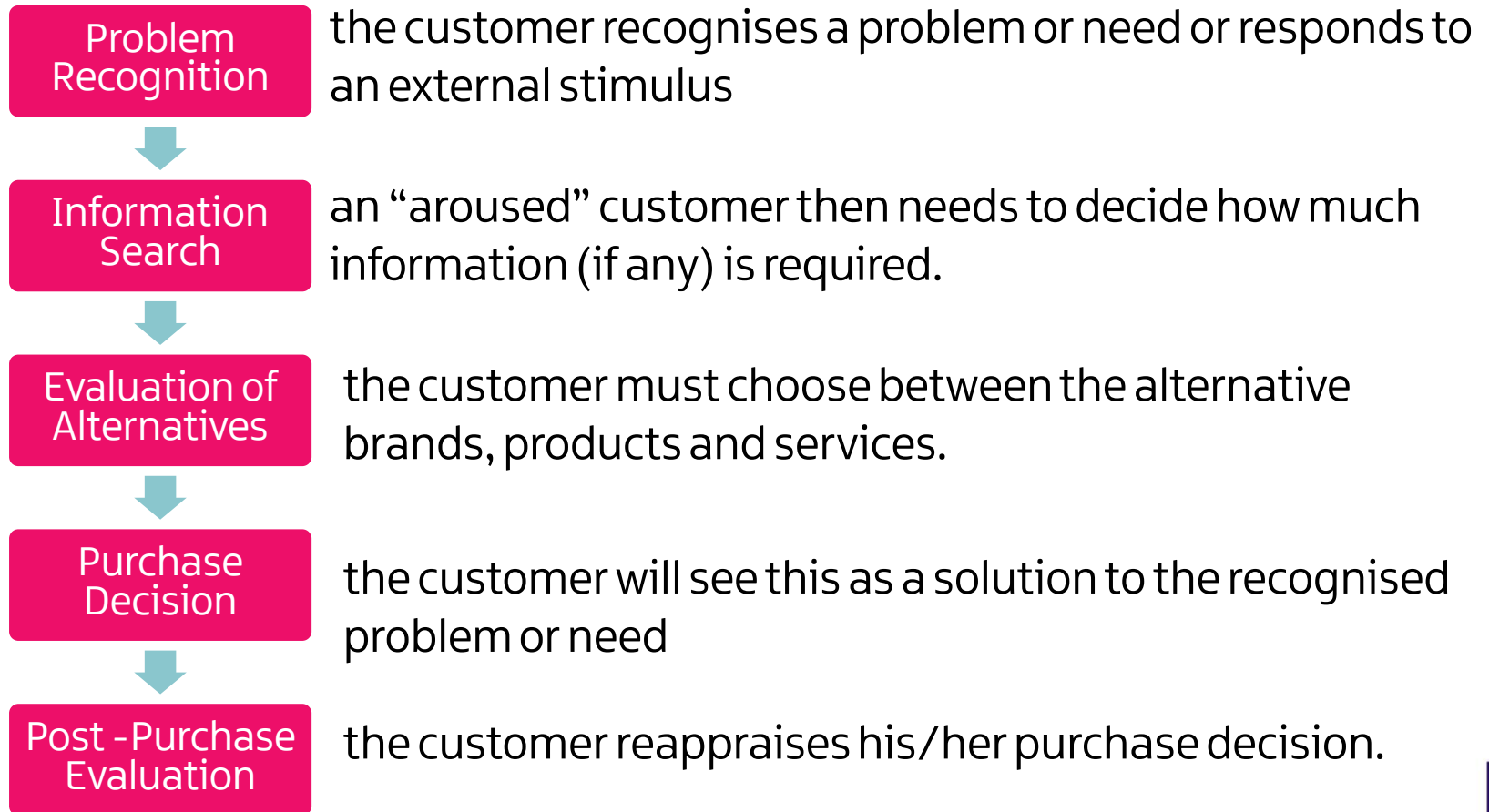
Reasons why we buy



We also buy:

- **To Increase** *Satisfaction; Confidence; Convenience; Pleasure;*
- **To Protect** *Investment; Money Self; Family; Property; Possessions*
- **To Make** *Money; Good impressions*
- **To Improve** *Image; Status; Earnings; Performance*
- **To Reduce** *Risk; Investment; Expenses; Worry*
- **To Save** *Time; Money; Energy; Space*

How we decide to buy



Types of Buying Behaviour

- **Routine or programmed**
 - Habitual purchase
 - Low involvement by the buyer
 - For example:



Types of Buying Behaviour

- **Extensive decision making**
 - High involvement buying
 - Requiring detailed consideration
 - For example:



Types of Buying Behaviour

- **Limited decision making**
 - Some consideration and evaluation
 - For example:



Types of Buying Behaviour

- **Impulse buying**
 - Bought on a whim without prior thought
 - For example:



Decision Making Roles

Initiators

first suggests idea of buying a particular product; may be influenced by a **trigger**

Influencers

people who stimulate, inform or persuade at any stage of the buying process

Deciders

the people who make the decision that a purchase should be bought

Financiers

these people set the budget

Buyers

those who actually buy the product; might not be the person who originally decided it ought to be bought

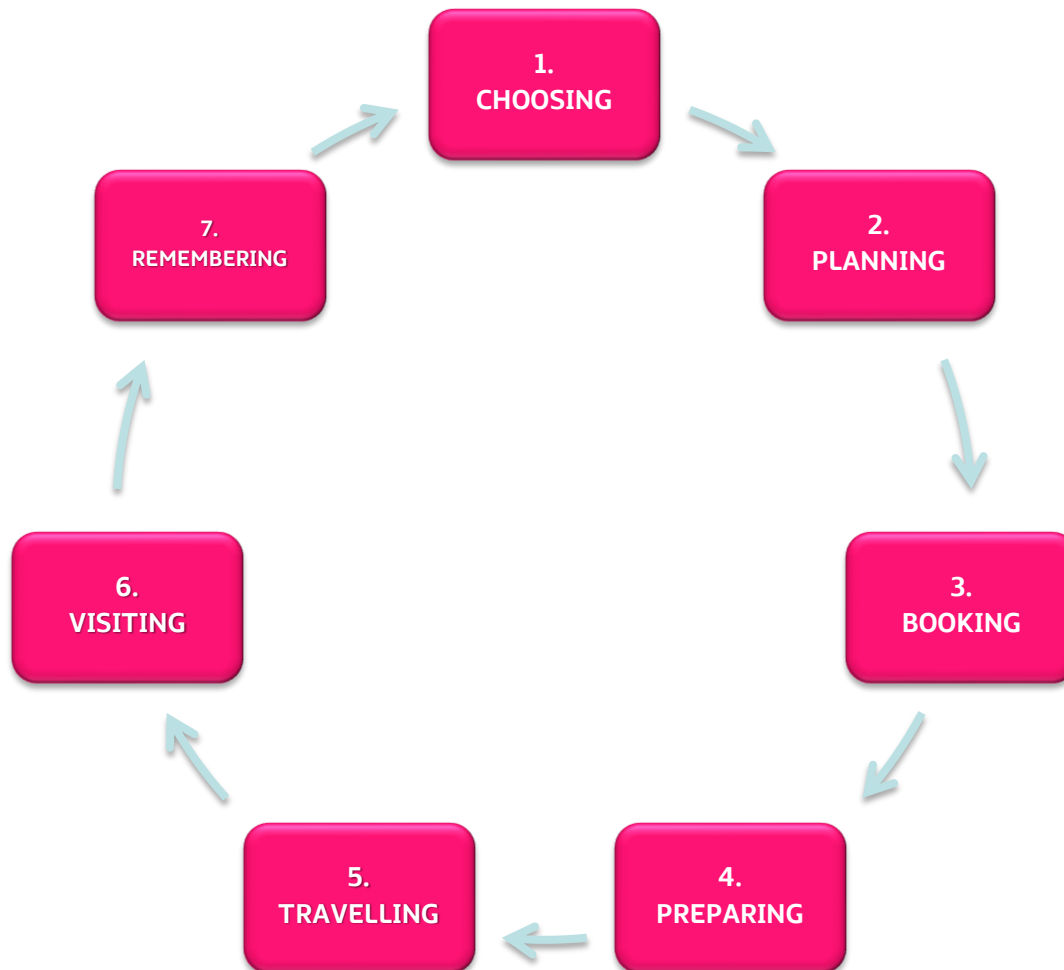
Users

might not be the decider or the buyer although their perceptions of what the user needs is likely to influence the buying decision/purchase

Booking a Holiday

Typical Stages and Roles Involved in Buying a Holiday

The visitor journey



Fulfilling the TIC role

- Understanding what visitors need and want at each stage of the Visitor Journey is the key to
 - **influencing customers' decisions**
 - **increasing customers' spending**
- It will help you identify what **information** people need, and the format they require it in
- And identify **products and services** which they are most likely to purchase
- And help to ensure you deliver a **first class customer service**

Not only.....

- Their age
- Their gender
- Their social status
- Where they live
- What they do for a living
- Their income level
- Their likes and dislikes
- Their interests

But also.....

- Why do they make the purchases they do
- What factors influence their purchases
- Why do they behave as they do
- What are the mental processes involved
- Who buys
- What are their choice criteria
- When do they buy
- Where do they buy
- How do they buy

Group Exercise

Getting to Know Your Customers

With someone **not** from your TIC or MA:

- a) swap 3 ways in which you currently gather/source customer information
- b) How could this be improved/what other sources are there?

Sourcing customer information

- Possible sources include:
 - Published Visitor/TIC User Research
 - Your accommodation booking forms
 - Your visitor book/ suggestion box
 - Complaints data
 - TIC questionnaires/survey forms
 - 1:1 interviews or focus groups
 - Database records/ mailing lists

Sourcing customer information

- EPOS or Sales/Stock data
- Internet and “Googling”
- Social media e.g. Facebook, Twitter, tripadvisor
- Your local tourism businesses, transport providers
- Your local tourism officer/MAs/NITB

Using customer information

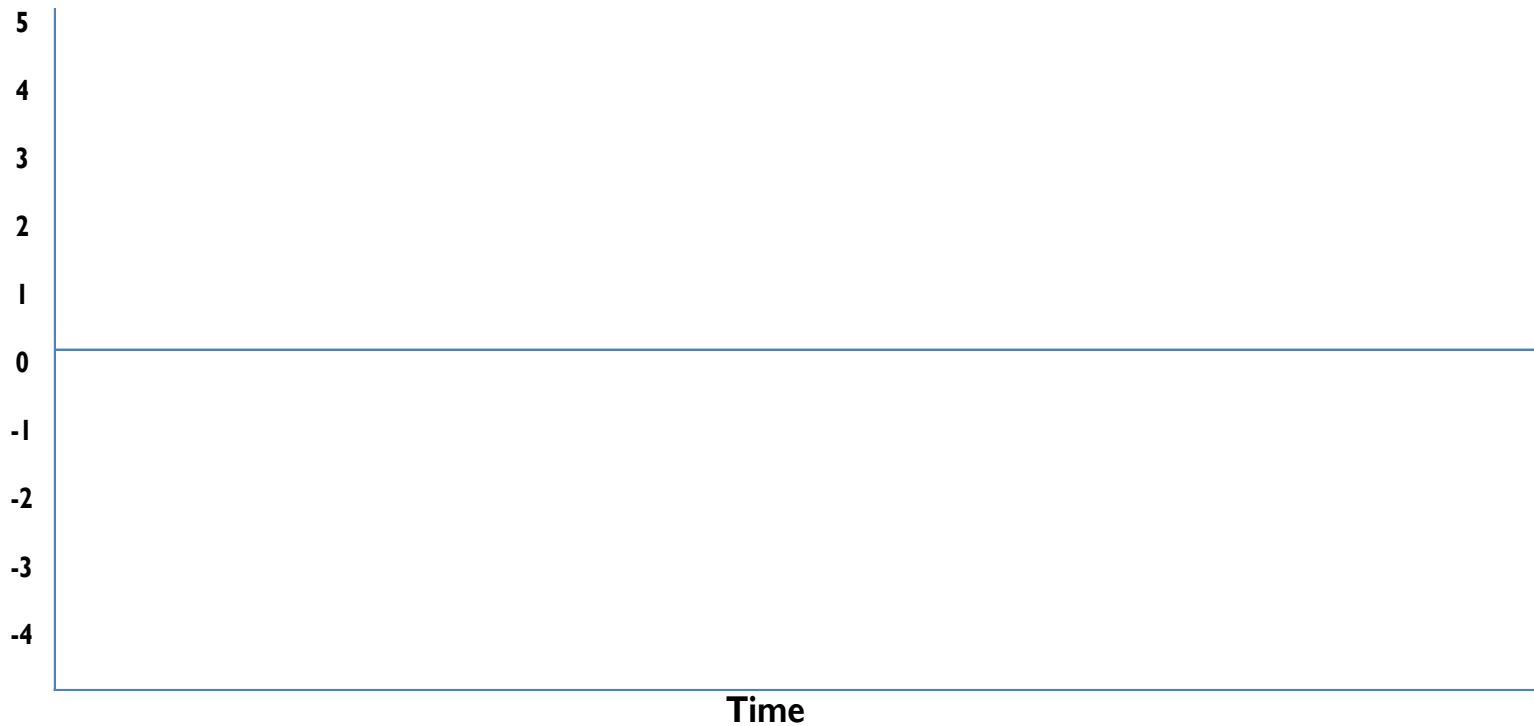
- Help guide your TIC activities now & in future
- Ensure you have the right information available at the right time, in the required format
- Identify other services to boost footfall & revenue
- Know what retail merchandise to stock and when
- Set the right selling price (and profit margin!)
- Boost your confidence to upsell and cross-sell.

Individual exercise

From A Customer Perspective: Your Personal Experience

Customer Perspective

Analysis of my experience as a customer:



Customer Perspective Discussion

- How many individual 'events' were involved in the episode you were reviewing?
- Why did you make your purchase from that particular provider?
- What hard facts influence you when choosing where to buy from, including this occasion?
- What more subtle impressions affect your decision making process?

Customer Perspective Discussion

- Have you ever left a shop having bought much more than you originally intended, simply because of the service you received?
- How did you feel?
- Which events made the most impression on you and led to your conclusion about the service provided?
- What influenced your service expectations in the first place? What impact did they have overall?
- Will every customer's expectations be the same?

Perceptions & Expectations

Managing Customer Perceptions & Exceeding Their Expectations

Syndicate Groups

Managing Customer Perceptions & Exceeding Their Expectations

Feedback

Managing Customer Perceptions & Exceeding Their Expectations

This is what we have covered today

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Action planning

What will you do differently tomorrow?



Thank you for being here today.

Safe Journey Home!

Rosemary Sidaway, Tourism Engineers





Understanding Your Customers

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Reasons why we buy

- **Conspicuous consumption:** Lavish spending for the purpose of displaying wealth or social status; preference for buying increases with price
- **Snob effect:** Desire to buy something nobody else has; preference for buying increases with rarity or scarcity
- **Bandwagon effect:** Desire to buy something everybody else is buying; preference for buying increases with perceived popularity



Reasons why we buy

- **Economic:** To enhance their lifestyle or to fulfil 2 of Maslow's needs: physiological (food, shelter) and Safety and Security
- **Psychological:** how people interact with their environment, products are bought to enhance well-being
- **Sociological:** To feel accepted and loved by their peers; a need to buy products that will appeal to their chosen groups.



Reasons why we buy

- **Practical:** buy because we need them to survive, such as shoes and medicine.
- **Rational:** purchases are made with logical, thought out reasoning.
- **Irrational:** products are purchased for foolish or absurd reasons.
- **Emotional:** purchasing products based on feelings
- **Factual:** purchasing products based on researched reports.

